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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director
JOHN R. BAZA
Division Director

Inspection Report
Minerals Regulatory Program
Report Date July 26, 2005

Supervisor 10274

Mine Name: Lucero Red
Operator Name: Quality Building Stone

Permit number: S/055/023
Inspection Date: May 12, 2005
Time: About 10:45-11:30 AM

Inspector(s): Paul Baker and Doug Jensen

Other Participants: Wes Hansen. Another person whose name I do not know was with Mr. Hansen but did not participate in our discussions

Mine Status: Inactive

Weather: Partly Cloudy, Cool

| Elements of Inspection | Evaluated | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Revisions, Transfer, Bonds | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Public Safety (shafts, adits, trash, signs, highwalls) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Protection of Drainages / Erosion Control | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Deleterious Material | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Roads (maintenance, surfacing, dust control, safety) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Concurrent Reclamation | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Water Impoundments | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Soils | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Revegetation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Air Quality | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Purpose of Inspection:

We wanted to meet and discuss what reclamation had been done and what permitting requirements still remain.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

The operator previously indicated he would like to reclaim certain areas before the Division determines a bond amount; however, in a meeting held July 22, 2005, Mr. Hansen said he would like to proceed with permitting this site as it is rather than trying to first get some grading done.

The disturbance consists of the mine quarry and of areas where stone has been stored and from which the stone has been loaded. Some of the storage/loading areas are mixed among the pinyons and junipers where there is little understory vegetation, but some of the areas have been cleared.

6. Concurrent Reclamation

There was little change since the last inspection in November 2004. I do not believe there had been any grading in the pit, but I think the operator had hauled away some pieces of stone and consolidated others.

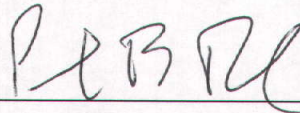
Inspection Date: May 12, 2005; Report Date: July 29, 2005
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Conclusions and Recommendations:

The Division needs to determine how much of the area needs to be permitted, how much reclamation still needs to be done, and how much reclamation bond should be required. The existing quarry is about 4.6 acres, and in the July 22 meeting, Mr. Hansen said he would need about one acre of area for storage and loading. This would make the total disturbance area 5.6 acres which would be a large mine.

I suggest that the operator use T-posts to mark the smallest area that could be used for loading and storage. If this area can be cut down to 0.4 acres or less, the operator can use the entire quarry and have about five acres of active disturbance. However, there are areas that have been used for storage and loading that need to be reclaimed to a postmining land use in accordance with the desires of the land owner (Mr. Hansen). I feel the land owner should provide the Division information about the postmining land use and that the operator should work with the Division to determine what reclamation needs to be done in those areas that will no longer be used for the mining operation.

Inspector's Signature



Date: July 26, 2005

PBB:jb

cc: Wes Hansen, Quality Building Stone
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